

Introduced by

Senator Every

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subsection to  
2 section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for  
3 dependent care expenses; and to provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **Dependent care credit.** A taxpayer whose adjusted gross income is sixty thousand  
8 dollars or less is entitled to a tax credit against tax liability as determined under section  
9 57-38-29 or 57-38-30.3 based on a percentage of the federal dependent care credit to which  
10 the taxpayer was entitled under section 21 of the Internal Revenue Code [26 U.S.C. 21] for the  
11 same taxable year, without regard to whether the taxpayer claimed this federal income tax  
12 credit. The applicable percentage of the federal credit to be allowed as a credit under this  
13 section is:

- 14 1. Fifty percent, if the taxpayer's adjusted gross income is less than twenty-five  
15 thousand dollars.
- 16 2. Thirty percent, if the taxpayer's adjusted gross income is twenty-five thousand  
17 dollars or more but less than thirty-five thousand dollars.
- 18 3. Twenty percent, if the taxpayer's adjusted gross income is thirty-five thousand  
19 dollars or more but not more than sixty thousand dollars.

20 For purposes of this section, the "taxpayer's adjusted gross income" means adjusted  
21 gross income as determined for purposes of section 21 of the Internal Revenue Code.

22 The credit under this section may not exceed the taxpayer's tax liability for the taxable  
23 year.

1           **SECTION 2.** A new subsection to section 57-38-30.3 of the North Dakota Century Code  
2 is created and enacted as follows:

3                   A qualified taxpayer filing a return under this section is entitled to the credit  
4                   provided under section 1 of this Act.

5           **SECTION 3. EFFECTIVE DATE.** This Act is effective for years beginning after  
6 December 31, 2004.